

SUBJECT TO APPROVAL AT THE NEXT BOARD MEETING

TOWN OF EAST HARTFORD PENSION AND RETIREE BENEFITS BOARD

MINUTES

REGULAR MEETING
Wednesday, December 18, 2013

The meeting was called to order by Joseph Carlson, Chairman at 5:45 P.M. in the Town Council Majority Room, East Hartford Town Hall. In addition to Mr. Carlson there were:

PRESENT: Esther Clarke, Member
Scott Thompson, Member
Robert Damaschi, Member
Frank Vignati, Member

ABSENT: None

ALSO PRESENT: Michael Walsh, Finance Director
Christopher Kachmar, Fiduciary Investment Advisors
Ann Gineo, Segal Consulting
George T. Law, Firefighter

ADD-ON: Under Item #7b. The Segal Company invoice # 221897 \$31,000

Motion by Mr. Damaschi, seconded by Mr. Thompson to add #7b The Segal Company invoice #221897 for \$31,000.

*Motion was voted; Motion was unanimously **approved***

1. PUBLIC PARTICIPATION: None

2. ACCEPTANCE OF MINUTES:

- a. Acceptance of Minutes of Regular Meeting of December 04, 2013

*Motion by Mr. Damaschi, seconded by Mrs. Clarke to **approve** as presented the minutes of the Regular Meeting of December 04, 2013.*

*Motion was voted; Motion was unanimously **approved***

3. COMMUNICATIONS:

- a. Retirements and Final Calculations:
1. George T. Law, Fire Dept., Request for Service-Connected Disability Retirement effective 11/7/13.

Ann Gineo, Segal Consulting reviewed the 12/11/13 memorandum regarding the service-connected disability retirement calculations in regard to years of service according to the Plan

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Document and collective bargaining agreement for the Fire Union. Ms. Gineo stated that Mr. Law's benefit should be calculated using his actual Credited Service of 20.0833 years.

Mr. Law advised the Board that his concerns are the use of Sick Days since November 7, 2013. Mr. Law feels he should have been on Worker's Compensation. Discussion was held on this concern and he was advised that when his final calculations are processed it would be clear. No action taken on this matter.

b. Withdrawals of Contributions: None

4. OLD BUSINESS:

a. Pension Plan Valuation, COLA Study and Experience Study Presentations – Ann Gineo, Segal Consulting

Ann Gineo of Segal Consulting presented the updated COLA Study dated 12/12/13. Mr. Carlson and Board members reviewed in-depth the Actuarial Experience Study and the COLA Study. The Board makes recommendations to the Mayor and the Mayor will consider and make recommendations to the Town Council during the upcoming budget process.

Motion by Mr. Thompson to recommend under COLA Study #1, Scenario 1f "Extend 1% COLA through 7/1/05 at a cost of \$102,778 and COLA Study #2 Scenario 2a. "Increase 1% COLA to 2% for those with retirement dates in 1980 through 1990" at a cost of \$32,921.

No second to this motion, motion was dropped.

Motion by Mrs. Clarke, seconded by Mr. Damaschi to recommend under COLA Study #2 Scenario 2a. "Increase 1% COLA to 2% for those with retirement dates in 1980 through 1990" at a cost of \$32,921.

*Motion was voted and **approved** 3 – 2, with Mr. Thompson and Mr. Vignati voting no.*

Motion by Mr. Thompson, seconded by Mr. Vignati to recommend under COLA Study #1 Scenario 1b "Extend 1% COLA through 12/31/2001 at a cost of \$39,168

*Motion was voted and **approved** 3 – 2, with Mrs. Clarke and Mr. Damaschi voting no.*

Motion by Mrs. Clarke, seconded by Mr. Damaschi to recommend no changes to the 7/1/13 Valuation Results for a contribution of \$10,884,008.

In-depth discussion was held on the Experience Study and the Board members requested the following:

Mrs. Clarke and Mr. Damaschi rescinded their motions

Motion by Mr. Vignati, seconded by Mr. Thompson to recommend using a 7.75% Discount Rate and 3.25 Inflation for a contribution of \$11,832,204.

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*Motion was voted and **approved** 3 – 1, with Mr. Damaschi voting no, Mrs. Clarke abstaining.*

5. NEW BUSINESS:

1. 2014 Meeting Calendar

Motion by Mr. Thompson, seconded by Mr. Damaschi to approve as presented the 2014 Meeting Calendar.

*Motion was voted; Motion was unanimously **approved**.*

2. 2014-2015 Requested Budget:

G9837-60120	Clerk	\$1,200.00
G9837-63130`	Physician Med. Services	<u>2,400.00</u>
	Total	\$3,600.00

Motion by Mr. Damaschi, seconded by Mrs. Clarke to approve as presented the 2014-2015 Requested Budget.

*Motion was voted; Motion was unanimously **approved**.*

6. REPORTS:

a. Pensions:

1. Summary of Portfolio Asset – November, 2013
2. Summary of Expenses – November, 2013

This was accepted as information for the Board members.

3. Fiduciary Investment Advisors, LLC Report

Mr. Kachmar reviewed the East Hartford Fixed Income Report as of November 30, 2013 with the Board. Mr. Kachmar reviewed the Performance Study that combines the 3D and FIA Assets. The combined total is \$206,773,799 with a quarter to date 4.3% return and 14.2% return since inception of 01/01/09. The FIA Fixed Income Composite has a market value of \$72,134,703 and this was a -.2% return for the month and a 1.6% since 7/1/13. The return since inception of 1/1/09 is 6.1%. Mr. Kachmar advised that the Fixed Income portion is performing above the market indexes. A brief discussion followed.

4. 3 D Asset Management Report

Mr. O'Connell was not available for this meeting; the 3D Asset Management the East Hartford Pension Report as of November 30, 2013 for the Equity portion of the investments was distributed to the Board. The ending market value was at \$137,460,131, this was a return of 6.21% for the quarter to date. The year to date return is 24.65% and the fund has a 17.79% return since inception (11/3/08).

b. OPEB Trust:

1. Summary of Portfolio Asset – November, 2013
2. Summary of Expenses – November, 2013

This was accepted as information for the Board members.

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3. Fiduciary Investment Advisors, LLC Report as of November 30, 2013

The OPEB Trust report indicated the Market Value at \$2,442,000 with a 0.0% return for the one month and a 6.4 % return since inception of 7/01/09. A brief discussion followed.

4. 3 D Asset Management Report as of November 30, 2013

The OPEB Trust has a Market Value at \$4,800,536 with an 18.78% return since inception of 11/03/08. The fund had a return of 22.76% for the year to date and a 25.54% return for the trailing 12 months.

7. APPROVAL OF DISBURSEMENTS:

- | | |
|--|-----------|
| a. Clerk for Pension & Ret. Benefit Board – December 18, 2013 | \$ 100.00 |
| b. The Segal Co., Inv. # 221897 Five Year Experience Study 7/1/08 -
6/30/13 | 31,000.00 |

*Motion by Mrs. Clarke, seconded by Mr. Vignati to **approve** as presented for payment item # 7. a. & b.*

*Motion was voted; Motion was unanimously **approved**.*

8. ADJOURNMENT:

There being no further business,

Motion by Mrs. Clarke, seconded by Mr. Damaschi to adjourn the meeting at 7:12 PM.

*Motion was voted; Motion was unanimously **approved**.*

Respectfully submitted,

Janet Penney, Clerk